

## COMMERCIAL LEASE AGREEMENT

THIS AGREEMENT made the 28<sup>th</sup> day of JULY, 1998, between Paul E. and Rose M. Schlosser (hereinafter referred to as "Landlord") and City of Rockville (hereinafter referred to as "Tenant").

## WITNESSETH:

1. **DEMISED PREMISES:** That in consideration of the rent hereinafter reserved and the covenants hereinafter contained, Landlord does hereby let and demise unto Tenant the premises, together with improvements thereon, known as 30 Courthouse Square, Suite 100, Rockville, Maryland 20850 more particularly described as follows: approximately 3,744 rentable square feet on the main floor, lobby level, for a term of five (5) years, commencing June 1, 1998 and expiring May 31, 2003. If this term shall commence on a day other than the first day of a calendar month, rent shall be paid in advance at the rate hereinafter specified for the remaining portion of the month in which the term commenced. The tenant will also pay, at the expiration or other termination of this lease, a proportionate part of said rent for the part, if any, of a month then expired. Should tender of possession of premises be later or earlier than the beginning date named above, then in that event, the beginning and ending dates of this lease shall be adjusted, by letter from Landlord to Tenant, to conform to date of such tender of possession just as if the same had been originally named as the beginning date, and this lease shall run for its full term from the date of such tender of possession, provided that no such failure to give possession on the date of commencement of the term shall in any other respect affect the validity of this lease or the obligations of Tenant hereunder. If permission is given to Tenant to enter into the possession of the demised premises or to occupy premises other than the demised premises prior to the date specified as the commencement of the term of this lease, Tenant covenants and agrees that such occupancy shall be deemed to be under all the terms, covenants, conditions and provisions of this lease. Notwithstanding any language contained herein to the contrary, in the event Landlord is unable to deliver the premises to Tenant by 10:00 a.m., July 31, 1998 through no fault of Tenant, Tenant shall have the right to terminate this lease with written notice to Landlord to be received by Landlord no later than 5:00 p.m., July 31, 1998. In the event Tenant shall not notify Landlord as aforesaid, this lease shall continue and remain in full force and effect.

2. **SERVICES:** The Landlord covenants and agrees to provide but the Tenant shall pay the charges for, as additional rental hereunder, natural gas, electricity and water and sewer service, said services to be separately metered or charged upon pro rata share. Tenant acknowledges that its premises will not be separately metered for water and sewer and agrees to pay its pro rata share of the water and sewer bill, as additional rental hereunder, immediately upon presentation of a copy of said bill from Landlord. If, due to the nature of Tenant's business, water and sewer usage exceeds that for a toilet facility and water consumption by Tenant appears to be greater than that of other normal office tenants, then Tenant agrees to pay a greater proportion of said water and sewer bill, as reasonably determined by Landlord, beyond that of its straight pro rata share. The Landlord shall not be liable for damage to person or property of Tenant, its agents or employees or any person claiming through the Tenant for any interruption or failure of any service referred to in this paragraph, nor shall any deduction or rebate be claimed or allowed in the rental hereby reserved by reason of such interruption or failure of the services referred to in this paragraph unless caused by or due to willful or negligent acts or omissions of the Landlord, its agents or employees.

3. **RENTAL:** The Tenant hereby covenants and agrees to pay or cause to be paid as rent to the Landlord during the term hereof, the minimum sum of Three Hundred Seventy Thousand Five Hundred Seventy and 20/100 Dollars (\$370,570.20), payable in advance in equal monthly installments during the first lease year of Three Thousand Three Hundred Twenty-Three and 00/100 Dollars (\$3,323.00). The rental shall be payable to and at the office of Paul E. Schlosser presently located in 51 Planters Row, Hilton Head, SC 29928 or at such other place or to such other person, firm or corporation as the Landlord may from time to time designate in writing. The first month's rental shall be payable in advance and upon execution hereof. Additional rental equal to ten percent (10%) of the then current monthly rental shall be imposed upon all rents not paid by the fifth (5th) of the calendar month in which due. Tenant shall have the right to use, occupy and modify the premises prior to the commencement date hereof, in accordance with the terms and conditions herein, excepting that the base rental charges shall be abated for the time period prior to June 1, 1998.

4. **SECURITY DEPOSIT:** Tenant has deposited with Landlord the sum of Six Thousand Two Hundred Forty and 00/100 Dollars (\$6,240.00) as security for the full and faithful performance of every provision of this Lease to be performed by Tenant. If Tenant defaults with respect to any provision of this

30 CHS  
(AMPROB)

SCHLOSSER  
95 MATHEWS DR. E7-160  
HILTON HEAD, SC 29926

Lease, including but not limited to the provisions relating to the payment of Rent, Landlord may use, apply or retain all or any part of this security deposit for the payment of any Rent or any other sum in default.

5. **ANNUAL ESCALATION:** Tenant further agrees to pay to Landlord, as an adjustment to base rent, an annual increase in the monthly base rent, commencing with the first day of the second lease year, and again on the first day of each succeeding lease year. Thus, the resulting base monthly rental amounts shall be as follows:

June, 1998 through May, 1999.....	\$3,323.00 per month
June, 1999 through May, 2000.....	\$6,489.60 per month
June, 2000 through May, 2001.....	\$6,749.18 per month
June, 2001 through May, 2002.....	\$7,019.15 per month
June, 2002 through May, 2003.....	\$7,299.92 per month

6. **REAL ESTATE TAX-ESCALATION:** For purposes of this Article:

(a) The term "real estate taxes" means all taxes, rates and assessments, general and special, levied or imposed with respect to the land, building and improvements constructed thereon, including all taxes, rates and assessments, general and special, levied or imposed for school, public betterment, general or local improvements. If the system of real estate taxation shall be altered or varied and any new tax or levy shall be levied or imposed on said land, building and improvements, and/or Landlord, in substitution for real estate taxes presently levied or imposed on immovables in the jurisdiction where the property is located, then any such new tax or levy shall be included within the term "real estate taxes".

(b) The term "base real estate taxes" means the assessed value of said land, building and improvements, multiplied by the then current rate, for the tax year of July 1, 1998 through June 30, 1999.

(c) The term "real estate tax year" means each successive twelve-month period following and corresponding to the period in respect of which the base real estate taxes are established, irrespective of the period or periods which may from time to time in the future be established by competent authority for the purposes of levying or imposing real estate taxes.

(d) Each year Tenant shall pay to Landlord within thirty (30) days after demand in writing therefor (accompanied by a statement showing the computation of Tenant's share of such increase), as additional rent, which shall not be deductible from percentage or other rental, Tenant's pro rata share, determined in the manner hereinafter provided, of any increase in real estate tax year over the base real estate taxes (all as defined above). Tenant's share, as aforesaid, shall be seventeen and seventy-six hundredths percent (17.76%) of the total increase.

(e) Reasonable expenses incurred by Landlord in obtaining or attempting to obtain a reduction of any real estate taxes shall be added to and included in the amount of any such real estate taxes. Landlord shall have no obligation to contest, object or litigate the levying or imposition of any real estate taxes and may settle, compromise, consent to, waive or otherwise determine in its discretion any real estate taxes without consent or approval of Tenant.

(f) Nothing contained in this Article shall be construed at any time to reduce the monthly installments of rent payable hereunder below the amount stipulated in Article 3 of this lease.

(g) It is understood and agreed that Tenant shall not be liable for any increase in the real estate taxes which is occasioned by an increase in the tax assessment due to an expansion of the building, or any part thereof, by Landlord, not shall Tenant be liable for any addition to the taxes by reason of Landlord's failure to pay such taxes when due.

(h) If the termination date of the lease shall not coincide with the end of a real estate tax year, then in computing the amount payable under this Article Six for the period between the commencement of the applicable real estate tax year in question and the termination date of this lease, the base real estate taxes shall be deducted from the real estate taxes for the applicable real estate tax and, if there shall be a difference, such difference pro-rated on a monthly basis shall be payable by Tenant. Tenant's obligation to pay increased real estate taxes under this Article 6 for the final period of the lease shall survive expiration of the term of this lease.

7. **TENANT USE:** The Tenant warrants and the Landlord agrees that said premises are to be used only by the Tenant only for the purposes of general administrative offices and related activities.

8. **UPKEEP/CONDITION OF PREMISES:** The premises are being leased and accepted by Tenant in as-is condition. Tenant agrees to keep the interior of the demised premises and the fixtures serving the demised premises in good order and state of repair whether such fixtures be located within the demised premises or as appurtenances thereto. In the event that said fixtures shall require repair or replacement so as to be in a state of good order and repair, the Tenant shall at his expense cause said repair or replacement to be

promptly made. The Tenant will, at the expiration or other termination of the term hereof, surrender and deliver up the same in like good order and condition; as the same now is or shall be at the commencement hereof, ordinary wear and tear and damage by the elements, fire, and other casualty not due to the negligence of Tenant, excepted. The Landlord shall maintain the exterior of the demised premises including the roof. The parties hereto acknowledge that Tenant shall be responsible for maintaining, repairing and replacing only those systems which solely serve Tenant's demised area.

9. **SUBLETTING AND ASSIGNMENT:** Tenant will not sublet the demised premises or any part thereof, including desk space, or transfer possession or occupancy thereof to any person, firm or corporation or transfer or assign this lease without the prior written consent of Landlord, which consent shall not be unreasonably withheld, nor shall any subletting or assignment hereof be effected by operation of law or otherwise than by the prior written consent of Landlord. In the event that the Landlord consents to the subletting or assignment of the demised premises the Tenant shall remain fully liable and obligated under all the terms, conditions and provisions of this lease.

10. **FIRE INSURANCE:** Tenant will not do or permit to be done in the demised premises, or the building of which they form a part, or bring or keep anything therein, which shall in any way increase the rate of fire or other insurance in said building, or on the property kept therein, or obstruct, or interfere with the rights of other tenants, or in any way, injure or annoy them, or those having business with them, or conflict with them, or conflict with the fire laws or regulations or with any insurance policy upon said building or any part thereof, or with any statutes, rules or regulations enacted or established by the Federal Government or by the State, City or County in which the subject property is located. In the event of an increase in the fire insurance caused by the Tenant's occupancy or use of the demised premises, the Tenant shall pay to the Landlord the amount of such increase as additional rental.

11. **ALTERATIONS:** Tenant will not make any alterations, installations, changes, replacements, additions or improvements, structural or otherwise in or to the demised premises or any part thereof, without the prior written consent of Landlord. All alterations, etc., except those specifically provided for herein shall be made at the sole expense of the Tenant.

It is distinctly understood that all alterations, installations, changes, replacements, additions to or improvements upon demised premises (whether with or without Landlord's consent) shall at the election of Landlord remain upon the demised premises and be surrendered with the demised premises at the expiration of this lease without disturbance, molestation or injury. Should Landlord elect that alterations, installations, changes, replacements, additions to or improvements upon demised premises be removed, upon termination of this lease or upon termination of any renewal period hereon, Tenant hereby agrees to cause same to be removed at Tenant's sole cost and expense and should Tenant fail to remove the same, then and in such event Landlord shall cause same to be removed at Tenant's expense and Tenant hereby agrees to reimburse Landlord for the cost of such removal together with any and all damages which Landlord may suffer and sustain by reason of failure of Tenant to remove the same.

12. **FIXTURES, ETC.:** The Tenant covenants, at the expiration or other termination of this lease, to remove all goods and effects from the demised premises and all keys, locks and other fixtures connected therewith (except trade fixtures and other fixtures belonging to Landlord), and to leave the premises in good repair, order and condition in all respects, reasonable wear and use thereof and damage by fire or other casualty and damage from any risk with respect to which Tenant is not herein expressly made liable excepted.

13. **LIABILITY INSURANCE:** The parties hereto acknowledge that the Tenant self-insures and has adequate funds to protect and will protect and defend Landlord and Tenant from any and all claims on account of bodily injuries to or death of one person, and/or on account of bodily injuries to or death of more than one person as the result of any one accident or disaster and/or on account of damage to property and/or plate glass.

14. **ACCESS:** Tenant further agrees that it will allow Landlord, its Agent or employees, to enter the demised premises at all reasonable times, upon reasonable notice, to examine, inspect or to protect the same or prevent damage or injury to the same, or to make such alterations and repairs as Landlord may deem necessary, or to exhibit the same to prospective tenants during the term of this lease.

15. **ILLEGAL USE:** Tenant will not use or permit the demised premises or any part thereof to be used for any disorderly, unlawful or extra hazardous purpose nor for any other purpose than hereinbefore specified.

16. **RULES AND REGULATIONS:** Tenant covenants that such rules and regulations as Landlord may make and which in Landlord's judgement are needed for the general well being, safety, care and cleanliness of demised premises, shall be faithfully kept, observed and performed by Tenant, and by his agents, servants, employees and guests.

17. **DAMAGE:** All injury to demised premises or the building of which they are a part, caused by moving property of Tenant into, in or out of, said building and all breakage done by Tenant, or the agents, servants, employees and visitors of Tenant, shall be repaired by Tenant, at the expense of Tenant, in event Tenant shall fail to do so, then Landlord shall have the right to make such necessary repairs, alterations and replacements, structural, nonstructural or otherwise and any charge or cost so incurred by Landlord shall be paid by Tenant with the right on the part of Landlord to elect in its discretion to regard the same as additional rent, in which event such cost or charge shall become additional rent payable with the installment of rent next becoming due or thereafter falling due under terms of this lease. This provision shall be construed as an additional remedy granted to Landlord and not in limitation of any rights and remedies which Landlord has or may have in said circumstances.

18. **PERSONAL PROPERTY:** Except in the event of gross negligence on the part of Landlord, Landlord shall not be liable for any damage to any property, or person, at any time in demised premises, or the building of which they are a part, from steam, gasses, or electricity, or from water, rain, or snow, whether they may leak into, issue or flow from, any part of said building, or from the pipes, or heating or air conditioning apparatus of the same, or from any other place. Tenant shall give Landlord prompt notice of any accident to, or defect in, the pipes, heating or air conditioning apparatus, or electric wires or system.

19. **LIABILITY:** Landlord assumes no liability or responsibility whatever with respect to the conduct and operation of the business to be conducted in demised premises nor for any loss or damage of whatsoever kind or by whomsoever caused, to personal property, documents, records, monies, or goods of Tenant or to anyone in or about the premises, unless caused or due in whole or in part to acts of negligence on the part of Landlord, its agents or servants. Whether such act be active or passive, Tenant agrees to hold Landlord harmless against all such claims, unless Landlord is grossly negligent, in which event Landlord shall be responsible.

20. **BANKRUPTCY:** If at any time during the term hereby demised, a petition shall be filed, either by or against Tenant, in any court or pursuant to any Federal, State or municipal statute whether in bankruptcy, insolvency, for the appointment of a receiver, of Tenant's property or because of any general assignment made by Tenant of Tenant's property for the benefit of Tenant's creditors, then immediately upon the happening of any such event, and without any entry or other act by Landlord, this lease, at Landlord's option, shall cease and come to an end with the same force and effect as if the date of the happening of any such event were the date herein fixed for the expiration of the term of this lease. It is further stipulated and agreed that, in the event of termination of the term of this lease by the happening of any such event, Landlord shall forthwith, upon such termination, and any other provisions of this lease to the contrary notwithstanding, become entitled to recover as and for liquidated damages caused by such breach of the provisions of this lease an amount equal to the difference between the then cash value of the rent reserved hereunder for the unexpired portion of the term and the then cash rental value of demised premises for such unexpired portion of term hereby demised, unless the statute which governs or shall govern the proceeding in which such damages are to be proved limits or shall limit the amount of such claim capable of being so proved, in which case Landlord shall be entitled to prove as and for liquidated damages an amount equal to that allowed by or under any such statute. The provisions of this Article of this lease shall be without prejudice to Landlord's right to prove in full damage for rent accrued prior to termination of this lease, but not paid. This provision of this lease shall be without prejudice to any rights given Landlord by any pertinent statute to prove further, any amounts allowed thereby.

In making any such computation, the then cash rental value of the demised premises shall be deemed prima facie to be the rental realized upon any reletting, if such reletting can be accomplished by Landlord within a reasonable time after such termination of this lease, and then present cash value of the future rents hereunder reserved to Landlord for the unexpired portion of the term hereby demised shall be deemed to be such sum, if invested at twelve percent (12%) simple interest, as will produce the future rent over the period of time in question.

21. **DEFAULTS AND REMEDIES:** It is agreed that if Tenant shall fail to pay the rent or any installment thereof as aforesaid at the time the same shall become due and payable and/or any additional rent



as herein provided although no demand shall have been made for the same; or if Tenant shall violate or fail or neglect to keep and perform any of the covenants, conditions and agreements herein contained on the part of Tenant to be kept and performed, or if demised premises shall become vacant or deserted, then, and each and every such event from thenceforth, and at all times thereafter, at option of Landlord, Tenant's right of possession shall thereupon cease and Landlord shall be entitled to possession of demised premises and may forthwith proceed to recover possession of demised premises by process of law. In event of reentry by process of law, Tenant nevertheless agrees to remain answerable for any and all damage, deficiency or loss of rent which Landlord may sustain by such reentry; and in such case, Landlord shall relet the said premises for the benefit of Tenant, in liquidation and discharge, in whole or in part, as the case may be, of the liability of Tenant under the terms and provisions of this lease. And it is further provided that if, under provisions hereof, a summons or other applicable summary process shall be served, pursuant to Real Property Article Title 8 of the Annotated Code of Maryland, and a compromise or settlement thereof shall be made, it shall not be constituted as a waiver of any breach of any covenant, condition or agreement herein contained and that no waiver of any breach of any covenant, condition or agreement herein contained shall operate as a waiver of the covenant, condition or agreement itself, or of any subsequent breach thereof. No provision of this lease shall be deemed to have been waived by Landlord unless such waiver shall be in writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installments of rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent nor shall any endorsement or statement of any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this lease provided.

**22. DAMAGE BY FIRE OR CASUALTY:**

(a) If the demised premises shall be destroyed or damaged, from whatsoever cause, so as to render them unfit for the purposes for which leased, and if it is reasonably possible to repair such destruction or damage within ninety (90) days, then Tenant shall not be entitled to surrender possession of the demised premises without the prior written consent of Landlord, but Landlord shall proceed to repair the destruction or damage with all reasonable speed and shall complete the same within ninety (90) days.

(b) If the demised premises shall be destroyed or damaged, from whatever cause, so as to render them unfit for the purposes for which leased, and if it is not at all reasonably possible to repair such destruction or damage within ninety (90) days, then each party shall have the option, by written notice given to the other within thirty (30) days after such destruction or damage, to terminate this lease as of the date of destruction, in which event Tenant shall be granted a proportionate rebate and deduction from the rental payments made and to be made hereunder for the period subsequent to said termination and, if such option is not exercised, Landlord shall proceed to repair the destruction or damage with all reasonable speed.

(c) In the event of any damage or destruction to which the above provisions are applicable, Tenant shall be granted a proportionate rebate and deduction from the rental payments made and to be made hereunder, for the period from the date of such damage or destruction until said premises are ready for occupancy by Tenant or until termination of this lease, corresponding to the portion of the demised premises with respect to which Tenant is deprived of normal occupancy and use.

**23. SUBORDINATION:** This lease is subject and subordinate to all ground or underlying leases and to any mortgage and/or deed of trust which may now or hereafter affect such leases or the real property of which demised premises form a part, and to all renewals, modifications, consolidations, replacements and extensions thereof. This clause shall be self-operative and no further instrument of subordination shall be required by any mortgagee or trustee. In confirmation of such subordination, Tenant shall execute promptly any certificate that Landlord may request. Tenant hereby constitutes and appoints Landlord the Tenant's attorney-in-fact to execute any such certificate or certificates for and on behalf of Tenant; provided, however, that notwithstanding the foregoing, the party secured by any such deed of trust shall have the right to recognize this lease and, in event of any foreclosure sale under such deed of trust, this lease shall continue in full force and effect at the option of the party secured by such deed of trust or the purchaser under any such foreclosure sale; and Tenant covenants and agrees that it will, at written request of party secured by any such deed or trust, execute, acknowledge and deliver any instrument that has for its purpose and effect the subordination to said deed of trust of the lien of this lease.

**24. TENANT HOLDOVER:** It is further understood and agreed by and between the parties hereto that in the event Tenant shall not immediately surrender said premises on the day after the end of the term hereby created, then Tenant shall, by virtue of this agreement, become a tenant by the month at twice the rental per month of the monthly installment of rent agreed by the said Tenant to be paid as aforesaid, commencing said monthly tenancy with the first day next after the end of term above demised; and said Tenant as a monthly tenant shall be subject to all conditions and covenants of this lease as though the same

had originally been a monthly tenancy; and said Tenant shall give to Landlord at least thirty (30) days written notice of any intention to quit said premises, and Tenant shall be entitled to thirty (30) days written notice to quit said premises, except in the event of nonpayment of rent in advance or of breach of any other covenant by said Tenant, in which event said Tenant shall not be entitled to any notice to quit, the usual thirty (30) days notice to quit, being hereby expressly waived; provided, however, that in the event Tenant shall hold over after the expiration of the term hereby created, and if Landlord shall desire to regain possession of said premises promptly at expiration of the term aforesaid, then at any time prior to Landlord's acceptance of rent from Tenant as a monthly tenant hereunder, Landlord, at its option, may forthwith reenter and take possession of said premises by any legal process in force in the State, City or County in which subject property is located.

25. **NO WAIVER:** That no waiver of any breach of any covenant, condition or agreement herein contained shall operate as a waiver of the covenant, condition or agreement itself, or of any subsequent breach thereof.

26. **LEGAL PROCEEDINGS:** In event legal proceedings are instituted against Tenant by Landlord, either for payment of rent or for possession, then Tenant agrees to pay all court costs instant to such proceedings, together with an attorney's fee of twenty percent (20%) of the amount due, but in no event less than One Hundred Dollars (\$100.00), which shall be additional rental and shall be collected and enforced as additional rental by any court.

27. **SIGNS:** The Tenant agrees not to install, place or cause to be placed any exterior advertising signs or awnings upon the premises, not to place advertising signs or posters on the interior of any windows and not to change the exterior color of the building without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. All signs agreed to by the Landlord shall also conform to all applicable codes and regulations.

28. **QUIET ENJOYMENT:** So long as the Tenant shall observe and perform the covenants and agreements binding on it hereunder, the Tenant shall at all times during the term herein be granted, have and enjoy possession of the premises without any encumbrance or hindrance by, from or through the Landlord.

29. **AGENCY:** Landlord, its successor(s) or assign(s) hereby recognizes Jay Clogg Realty Group, Inc., hereinafter "Agent", as the procuring cause of this Lease and in consideration of Agent's services agrees to pay said Agent a commission equal to four percent (4%) of the total rent, as escalated, scheduled to be paid by the Tenant during the full initial term of this Lease. Said commission shall be due and payable in advance upon the commencement date of this Lease. In the event Tenant shall lease additional space in the described premises or any other premises owned or controlled by Landlord or any ownership containing Landlord or portion thereof, Agent shall be entitled to commissions on the additional space as hereinbefore stated. The commission obligation herein shall be that of Landlord, its successor(s) or assign(s). Landlord and Tenant warrant to one another that they have dealt with no Agent other than Jay Clogg Realty Group, Inc. with regards to this Lease. Agent shall be entitled to receive from Landlord reasonable attorney's fees and other costs associated with the collection of the herein described commission.

30. **OCCUPANCY PERMIT:** Tenant shall, at its expense, secure and maintain all permits necessary for its operation in and occupancy of the demised premises.

31. **WAIVER OF TRIAL BY JURY:** Tenant waives trial by jury of any or all issues arising in any action or proceedings between the parties hereto, or their successors, arising out of or in any way connected with this Lease, or any provisions, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises and/or claim of injury or damage, and any statutory remedy.

32. **UTILITIES:** Tenant shall place the gas and electric utilities serving the premises in its name upon its receipt of keys to the premises.

33. **TERMINATION RIGHT:** Provided Tenant shall not have been in default (beyond any applicable notice and cure period) under the terms and conditions of this lease, then, in that event, Tenant shall have the right to terminate this lease, provided Tenant shall have notified Landlord, in writing, of its desire to terminate, to be received by Landlord no later than one hundred eighty (180) days prior to the desired termination date. Should Tenant exercise its termination right in the manner as hereinbefore stated, Tenant shall remit to Landlord, concurrent with the notice of termination, an amount determined as follows: multiply \$49,822.81 by a fraction, the numerator of which is the number of months remaining in the term

following the termination date and the denominator of which is sixty (60). Neither party shall have further obligations towards the other with regards to this lease provided Tenant shall vacate the demised premises promptly upon the termination date and leave the premises in the same good and broom clean condition, with all equipment in good working order, as was received by Tenant, normal wear and tear excepted. Should Tenant not exercise its termination right in the manner as hereinbefore stated, this lease shall continue and remain in full force and effect.

IN WITNESS WHEREOF, Landlord has/have set his/their hand(s) and seal(s).

IN WITNESS WHEREOF, Tenant has/have set his/their hand(s) and seal(s).

Witness:

*[Signature]*  
*[Signature]*

LANDLORD: Paul E. and Rose M. Schlosser

*[Signature]*  
 By: Paul E. Schlosser

*Rose M Schlosser*  
 By: Rose M. Schlosser

Witness:

*Paula Spencer*

TENANT: City of Rockville

*[Signature]*  
 By: Julia Novak, Acting City  
 MANAGER

Paul E. Schlosser  
Rose M. Schlosser

843-681-4452  
Fax 843-681-2630

Schlosser Properties  
95 Mathews Dr. E7-160  
Hilton Head Island  
South Carolina 29926

May 23, 1999

Mr. Edward J. Duffy  
Community Development Program Manager  
City of Rockville  
111 Maryland Avenue  
Rockville, Md. 20850

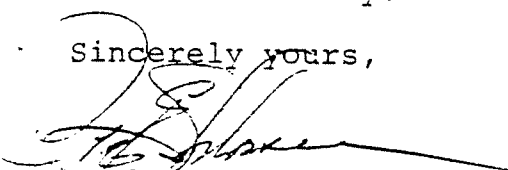
Dear Ed:

As you maybe aware of, we have Coakley Realty Management, LLC managing 30 Courthouse Square. Therefore all future rent checks and correspondance should be directed to James C. Dailey, Property Manager, Coakley Realty Management, 12051-B Tech Road, Silver Spring, Md. 20904-1999 Telephone 301-625-0422; 625-0438 Fax 301-680-0380.

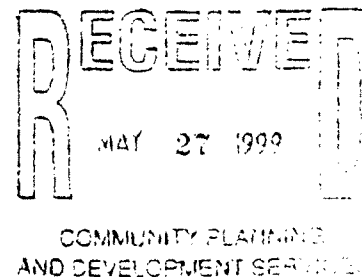
Also, this is a reminder that the June 1st rent increases to \$6,489.60 per month.

If there should be any questions, please do not hesitate to call us or Jim Dailey.

Sincerely yours,

  
Paul E. Schlosser

CC: James C. Dailey





LEASE EXTENSION AGREEMENT

THIS AGREEMENT, made this \_\_\_\_ day of \_\_\_\_\_ 2003, by and between Paul E. and Rose M. Schlosser hereinafter called the "Landlord", and The City of Rockville, hereinafter called the "Tenant".

## WITNESSETH

WHEREAS, the Landlord and the Tenant entered into a certain Lease Agreement with the date of June 1, 1998, whereby the Tenant leased approximately 3,744 s.f. of usable square feet of office space located at 20 Courthouse Square - Suite 100, Rockville, MD 20850 for a term of five (5)-years beginning on the 1<sup>st</sup> day of June, 1998 and ending on the last day of May, 2003.

WHEREAS, the parties hereto now desire to extend the term of said Lease for an additional period of five (5) years beginning on June 1, 2003 and ending on May 31, 2008.

NOW, THEREFORE, THIS AGREEMENT EXTENDING LEASE WITNESSETH, that in consideration of the premises and of the mutual covenants herein contained, the parties undertake and agree as follow:

1. Term. The Term of said Lease Agreement is hereby extended for an additional term of five years, from June 1, 2003 and ending on May 31, 2008.
2. Basic Rental. The Basic Rental payments for the Lease Extension Term shall be as follows: \$24.10 per square foot X 3,744 s.f.

Term	Annually	Monthly
June 1, 2003 - May 31, 2004	\$90,227.04	\$7,518.92
June 1, 2004 - May 31, 2005	\$92,933.85	\$7,744.49
June 1, 2005 - May 31, 2006	\$95,721.87	\$7,976.82
June 1, 2006 - May 31, 2007	\$98,593.44	\$8,216.12
June 1, 2007 - May 31, 2008	\$101,551.33	\$8,462.61

All of the covenants and conditions made applicable by the provisions of said Lease Agreement shall be equally applicable to the extended Lease Term.

IN ALL RESPECTS, except as hereinbefore expressly stated, all terms and provisions of said Lease Agreement of June 1, 1998 are hereby ratified and confirmed.

IN WITNESS THEREOF, the Landlord and Tenant have caused this Lease Extension Agreement to be executed for and on its duly authorized officers or representatives as of the day and year first hereinabove written.

WITNESS:

LANDLORD: Paul E. Schlosser and  
Rose M. Schlosser

BY: \_\_\_\_\_

LEASE EXTENSION AGREEMENT

THIS AGREEMENT, made this 2<sup>nd</sup> day of MAY 2003, by and between Paul E. and Rose M. Schlosser hereinafter called the "Landlord", and The City of Rockville, hereinafter called the "Tenant".

## WITNESSETH

WHEREAS, the Landlord and the Tenant entered into a certain Lease Agreement with the date of June 1, 1998, whereby the Tenant leased approximately 3,744 s.f. of usable square feet of office space located at 20 Courthouse Square - Suite 100, Rockville, MD 20850 for a term of five (5) years beginning on the 1<sup>st</sup> day of June, 1998 and ending on the last day of May, 2003.

WHEREAS, the parties hereto now desire to extend the term of said Lease for an additional period of five (5) years beginning on June 1, 2003 and ending on May 31, 2008.

NOW, THEREFORE, THIS AGREEMENT EXTENDING LEASE WITNESSETH, that in consideration of the premises and of the mutual covenants herein contained, the parties undertake and agree as follow:

1. Term. The Term of said Lease Agreement is hereby extended for an additional term of five years, from June 1, 2003 and ending on May 31, 2008.
2. Basic Rental. The Basic Rental payments for the Lease Extension Term shall be as follows: \$24.10 per square foot X 3,744 s.f.

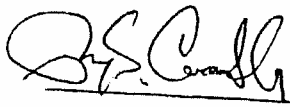
Term	Annually	Monthly
June 1, 2003 - May 31, 2004	\$90,227.04	\$7,518.92
June 1, 2004 - May 31, 2005	\$92,933.85	\$7,744.49
June 1, 2005 - May 31, 2006	\$95,721.87	\$7,976.82
June 1, 2006 - May 31, 2007	\$98,593.44	\$8,216.12
June 1, 2007 - May 31, 2008	\$101,551.33	\$8,462.61

All of the covenants and conditions made applicable by the provisions of said Lease Agreement shall be equally applicable to the extended Lease Term.

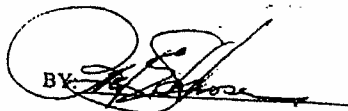
IN ALL RESPECTS, except as hereinbefore expressly stated, all terms and provisions of said Lease Agreement of June 1, 1998 are hereby ratified and confirmed.

IN WITNESS THEREOF, the Landlord and Tenant have caused this Lease Extension Agreement to be executed for and on its duly authorized officers or representatives as of the day and year first hereinabove written.

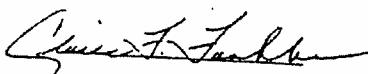
WITNESS:



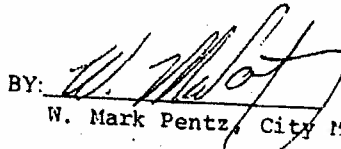
LANDLORD: Paul E. Schlosser



WITNESS:



TENANT: City of Rockville

BY:   
W. Mark Pentz, City Manager

## LEASE EXTENSION AGREEMENT

THIS AGREEMENT, made this 25th day of January 2008, by and between Paul E. and Rose M. Schlosser hereinafter called the "Landlord", and The City of Rockville, hereinafter called the "Tenant".

## WITNESSETH

WHEREAS, the Landlord and the Tenant entered into a certain Lease Agreement with the date of June 1, 1998, whereby the Tenant leased the first floor space located at 30 Courthouse Square - Suite 100, Rockville, MD 20850 for a term of five (5) years beginning on the 1<sup>st</sup> day of June, 1998 and ending on the last day of May, 2003. Then extending for an additional 5 years through May 2008.

WHEREAS, the parties hereto now desire to extend the term of said Lease for an additional period of five (5) years beginning on June 1, 2008 and ending on May 31, 2013.

NOW, THEREFORE, THIS AGREEMENT EXTENDING LEASE WITNESSETH, that in consideration of the premises and of the mutual covenants herein contained, the parties undertake and agree as follow:

1. Term. The Term of said Lease Agreement is hereby extended for an additional term of five years, from June 1, 2008 and ending on May 31, 2013.

2. Basic Rental. The Basic Rental payments for the Lease Extension Term shall be as follows:

Term	Annually	Monthly
June 1, 2008 - May 31, 2009	\$101,551.33	\$8,462.61
June 1, 2009 - May 31, 2010	\$104,597.88	\$8,716.49
June 1, 2010 - May 31, 2011	\$107,735.76	\$8,977.98
June 1, 2011 - May 31, 2012	\$110,967.84	\$9,247.32
June 1, 2012 - May 31, 2013	\$114,296.88	\$9,524.74


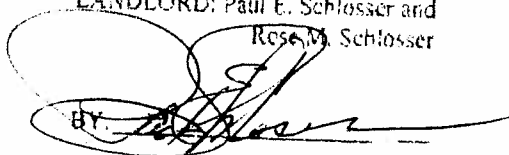
All of the covenants and conditions made applicable by the provisions of said Lease Agreement shall be equally applicable to the extended Lease Term.

IN ALL RESPECTS, except as hereinbefore expressly stated, all terms and provisions of said Lease Agreement of June 1, 1998 are hereby ratified and confirmed.

IN WITNESS THEREOF, the Landlord and Tenant have caused this Lease Extension Agreement to be executed for and on its duly authorized officers or representatives as of the day and year first hereinabove written.

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WITNESS:

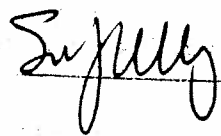
LANDLORD: Paul E. Schlosser and  
Rose M. Schlosser

Rose M. Schlosser 2-1-08

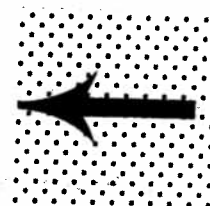
WITNESS:

TENANT: City of Rockville

BY:



CITY MANAGER

SIGN  
HERE

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